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BUYING A HOME?

Improve your chances of fast finance approval with these handy tips from leading Finance Consultant, Jason Smith.

STEP 1: GET READY

Buying a new home is a big decision. Finding the right property, in the right location at the right price takes time. When you do find 'the one' you want to be in the best position to take action, then and there.

Sounds simple, right?

It could be. It should be. BUT... and it's a big BUT... unless you already have enough money in the bank to buy your new home outright, chances are you are going to need finance. Sourcing finance approval, at the right price, from the right lender takes time and significantly longer than it used to!

The key to getting into your new home sooner and with less stress, starts long before the property search, it starts with finance and it starts NOW!

INSIDER'S TIP:

By starting the process early with your finance broker or bank, before signing a contract, the greater likelihood of finance approval.

We recommend getting in contact up to 6 months in advance, and remember a professional finance broker will have access to a range of banks, not just one, providing you with real choice.

STEP 2: GET SET

Find out how much you can borrow

Knowing your borrowing capacity before you sign a contract or attend an auction puts you in a strong position as you know your negotiating limits from the outset. No time wasted looking at properties that fall outside your budget and far less stress throughout the process!

The team at Navigate Finance and Wealth work with homebuyers and property investors every day, and know how to establish your borrowing limit and monthly repayments based on loan options from a range of banks.



When it comes to finance you need an expert

INSIDER'S TIP:

The amount you can borrow from one bank to the next will vary - sometimes a little, sometimes a lot!

Banks use different methods to assess a borrower's ability to repay a loan. All banks apply an interest rate buffer, which generally starts around 2% on top of the interest rate on the actual loan. This is a responsible measure to ensure you can pay your mortgage repayments in the event of interest rate increases. This buffer can differ by 0.25% to 0.50% from one bank to another and this will impact the amount you can borrow by tens of thousands of dollars.

Understanding your spending habits

The application process is taking longer in part due to banks placing emphasis on understanding individual borrower living expenses by reviewing up to 6 months' worth of bank statements, line by line, to assess your spending habits.

We can assist you prepare for your finance application by identifying any 'red flags' that may cause delays or a decline by the lender.

We can also help you to identify unnecessary but habitual spending habits and put a budget or savings plan in place if necessary.

INSIDER'S TIP:

Common 'red flags' to watch out for

- **Afterpay or Zip Pay** - payments may be assessed as an ongoing loan expense even though they may last for just 4 or 6 weeks.
- **Credit/Store Cards** - do you clear the balance in full each month, partially clear the balance or pay the minimum repayment?
- **Late payments** - or late payment fees on Credit/Store Cards, phone bills, electricity or other regular expenses

STEP 3: GO!!

By getting organised early, touching base with your professional finance broker or bank and establishing your finance options before you buy, you'll be popping the champagne cork in your new home much sooner.